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## UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

Before Commissioners: Ruth Y. Goldway, Chairman;

Nanci E. Langley, Vice Chairman;

Mark Acton; and Robert G. Taub

Morgan City Post Office Morgan City, Mississippi Docket No. A2012-46

## ORDER AFFIRMING DETERMINATION

(Issued February 21, 2012)

## I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it "will delay the closing or consolidation of any Post Office until May 15, 2012." The Postal Service further indicated that it "will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals." *Id.* It stated that the only "Post Offices" subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it "will not close or consolidate any other Post Office prior to May 16, 2012." *Id.* at 2. Lastly,

<sup>&</sup>lt;sup>1</sup> United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

the Postal Service requested the Commission "to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding." *Id.* 

The Postal Service's Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service's request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On October 31, 2011, Wayne E. Walker (Petitioner Walker) filed a petition with the Commission seeking review of the Postal Service's Final Determination to close the Morgan City, Mississippi post office (Morgan City post office).<sup>2</sup> Additional petitions for review were received from Martha Mullen (Petitioner Mullen) and Walter Pillow (Petitioner Pillow).<sup>3</sup> The Final Determination to close the Morgan City post office is affirmed.<sup>4</sup>

## II. PROCEDURAL HISTORY

On November 16, 2011, the Commission established Docket No. A2012-46 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.<sup>5</sup>

On November 15, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>6</sup>

<sup>&</sup>lt;sup>2</sup> Petition for Review received from Wayne E. Walker regarding the Morgan City, Mississippi post office 38946, October 31, 2011 (Walker Petition).

<sup>&</sup>lt;sup>3</sup> Petition for Review received from Martha Mullen, Mayor regarding the Morgan City, Mississippi post office 38946, November 4, 2011 (Mullen Petition); Petition for Review received from Walter Pillow, III regarding the Morgan City, Mississippi post office 38946, November 14, 2011 (Pillow Petition).

<sup>&</sup>lt;sup>4</sup> The Commission is divided equally, 2-2, on the outcome of this appeal. In the absence of a majority, the Final Determination stands.

<sup>&</sup>lt;sup>5</sup> Order No. 969, Notice and Order Accepting Appeal and Establishing Procedural Schedule, November 16, 2011.

<sup>&</sup>lt;sup>6</sup> United States Postal Service Notice of Filing, November 15, 2011. The Postal Service filed a corrected Administrative Record, which completely supplants the previous filing. United States Postal Service Notice of Filing Corrected Administrative Record—Errata, November 30, 2011. The Administrative Record is attached to the United States Postal Service Notice of Filing, November 30, 2011. The Administrative Record includes, as Item No. 47, the Final Determination to Close the Morgan City, Mississippi Post Office and Extend Service by Rural Route Service (Final Determination).

The Postal Service also filed comments requesting that the Commission affirm its Final Determination.<sup>7</sup>

On November 18, 2011, Petitioner Walker filed a letter in support of his petition.<sup>8</sup> Petitioner Walker and Petitioner Mullen filed participant statements supporting their petitions.<sup>9</sup> The Public Representative did not file a pleading in this case.

On January 4, 2012, the Postal Service filed a one-page addendum to the Administrative Record.<sup>10</sup>

#### III. BACKGROUND

The Morgan City post office provides retail postal services and service to 156 post office box customers. Final Determination at 2. No delivery customers are served through this post office. The Morgan City post office, an EAS-11 level facility, provides retail service from 7:45 a.m. to 12:00 p.m. and 12:45 p.m. to 3:45 p.m., Monday through Friday, and 7:45 a.m. to 11:00 a.m. on Saturday. Lobby access hours are 7:30 a.m. to 4:00 p.m., Monday through Friday, and 7:30 a.m. to 11:30 a.m. on Saturday. *Id*.

<sup>&</sup>lt;sup>7</sup> United States Postal Service Comments Regarding Appeal, January 4, 2012 (Postal Service Comments). Prior to this filing, a Motion of the United States Postal Service for Extension of Time to File Comments in Response to Petitioner's Submissions was filed on December 29, 2011. The Commission granted the motion. See Order No. 1097, Order Granting Motion for Extension of Time and Modifying Procedural Schedule, January 4, 2012.

<sup>&</sup>lt;sup>8</sup> Letter in Support of Petition received from Wayne E. Walker, November 18, 2011 (Walker Letter)

<sup>&</sup>lt;sup>9</sup> Participant Statement received from Wayne E. Walker, December 1, 2011 (Walker Participant Statement); Participant Statement received from Martha Mullen, December 2, 2011 (Mullen Participant Statement).

<sup>&</sup>lt;sup>10</sup> United States Postal Service Notice of Supplemental Filing–Erratum, January 4, 2012 (Addendum). The Postal Service explains that the Addendum was added to the Administrative Record in an effort to clarify certain details in Item Nos. 17, 33, 47. The Addendum appears to contain post-record information. The Commission's responsibility in adjudicating appeals of Postal Service determinations to close or consolidate post offices is limited to "the record before the Postal Service in the making of such determination[s]." 39 U.S.C. § 404(d)(5). The Addendum seeks to add post-record information for the Commission's consideration on appeal. By statute, the Commission is barred from considering any such materials and has not relied on the Addendum in deciding this appeal.

The postmaster position became vacant on July 19, 2009 when the Morgan City postmaster resigned. An officer-in-charge (OIC) was installed to operate the post office. Retail transactions average 34 transactions daily (39 minutes of retail workload). Post office receipts for the last 3 years were \$18,652 in FY 2008; \$18,912 in FY 2009; and \$16,922 in FY 2010. There are no permit or postage meter customers. *Id.* By closing this post office, the Postal Service anticipates savings of \$50,747 annually. *Id.* at 6.

After the closure, retail services will be provided by the Itta Bena post office located approximately 8 miles away. 

Id. at 2. Delivery service will be provided by rural carrier through the Itta Bena post office. The Itta Bena post office is an EAS-18 level post office, with retail hours of 8:30 a.m. to 12:00 p.m. and 1:00 p.m. to 4:30 p.m., Monday through Friday, and 8:30 a.m. to 10:30 p.m. on Saturday. One-hundred-seventeen (117) post office boxes are available. 

Id. The Postal Service will continue to use the Morgan City name and ZIP Code. 

Id. at 5, Concern No. 5.

## IV. PARTICIPANT PLEADINGS

Petitioners. Petitioners oppose the closure of the Morgan City post office.

Petitioners contend that the Postal Service failed to consider the effect of the closing on the Morgan City community. Walker Petition at 2; Mullen Petition at 1; Walker Letter at 1-2; Walker Participant Statement at 2-4; Mullen Participant Statement at 2-3.

Petitioners argue that rural route service will not provide a maximum degree of effective and regular postal services to the community. Walker Petition at 1-2; Walker Letter at 1-2; Walker Participant Statement at 2-4; Mullen Participant Statement at 2.

Petitioners further assert that there are factual errors contained in the Final Determination, and that the Postal Service's economic savings calculations are inaccurate and not in accordance with 39 U.S.C. §101(b). Walker Petition at 1; Walker Letter at 1-2; Walker Participant Statement at 2-3; Mullen Participant Statement at 3.

<sup>&</sup>lt;sup>11</sup> MapQuest estimates the driving distance between the Morgan City and Itta Bena post offices to be approximately 10.4 miles (14 minutes driving time).

Postal Service. The Postal Service argues that the Commission should affirm its determination to close the Morgan City post office. Postal Service Comments at 2. The Postal Service believes the appeal raises three main issues: (1) the effect on postal services; (2) the impact on the Morgan City community; and (3) the economic savings expected to result from discontinuing the Morgan City post office. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the Morgan City post office should be affirmed. *Id.* 

The Postal Service explains that its decision to close the Morgan City post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low office revenue;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- little recent growth in the area;
- minimal impact on the community; and
- expected financial savings.

*Id.* at 4. The Postal Service contends that it will continue to provide regular and effective postal services to the Morgan City community when the Final Determination is implemented. *Id.* 

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioners regarding the effect on postal services, the effect on the Morgan City community, economic savings, and the effect on postal employees. *Id.* at 13.

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

#### A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The Administrative Record indicates the Postal Service took the following steps in providing notice of its intent to close. On May 27, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Morgan City post office. Final Determination at 2. A total of 175 questionnaires were distributed to customers of the Morgan City post office. Other questionnaires were made available at the retail counter. A total of 54 questionnaires were returned. On June 7, 2011, the

Postal Service held a community meeting at the Morgan City County Barn to address customer concerns. Seventy-three (73) customers attended. *Id.* 

The Postal Service posted the proposal to close the Morgan City post office with an invitation for comments at the Morgan City and Itta Bena post offices from June 30, 2011 through August 31, 2011. Final Determination at 2. The Final Determination was posted at the same two post offices from October 4, 2011 through November 5, 2011. Administrative Record, Item No. 49.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

## B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

The Postal Service must also comply with the provisions of 39 U.S.C. § 101(b), which prohibits closing any small post office solely for operating at a deficit.

Effect on the community. Morgan City, Mississippi is an unincorporated community located in Leflore County, Mississippi. Administrative Record, Item No. 16.<sup>12</sup> The community is administered politically by Leflore County. Police protection is provided by the Leflore County Sheriff Department. Fire protection is provided by the Morgan City Volunteer Fire Department. The community is comprised of retirees, farmers, the owner of a trucking company, and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby

<sup>12</sup> Petitioners Walker and Mullen assert that Morgan City is incorporated and is administered politically by the Mayor and Board of Alderman. Walker Petition at 1; Walker Letter at 2; Walker Participant Statement at Attachment 4; Mullen Participant Statement at 3. Petitioners Walker and Mullen also note that there are more businesses in Morgan City than listed in the Final Determination. Walker Letter at 2; Walker Participant Statement at 3; Mullen Participant Statement at 3. The Postal Service asserts that these errors in the Final Determination are harmless. Postal Service Comments at 9.

communities for other supplies and services. *See generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Morgan City community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Morgan City post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 4-6.

Petitioners assert that closing the Morgan City post office would have an adverse effect on the Morgan City community identity. Walker Letter at 1-2; Mullen Petition at 1; Walker Participant Statement at 2-3; Mullen Participant Statement at 2. The Postal Service suggests that a community's identity derives from the interest and vitality of its residents and their use of its name. The Postal Service explains that it is helping to preserve community identity by continuing the use of the Morgan City name and ZIP Code in addresses. *Id.* at 9-10. The Postal Service asserts that residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town. *Id.* at 10.

Petitioners are also concerned about the change of address. Walker Letter at 1; Walker Participant Statement at 2; Mullen Participant Statement at 2. Petitioner Mullen particularly expresses concern for elderly citizens who depend on their current 911 addresses for medical assistance programs and for fast response from local law officers. Mullen Participant Statement at 2. The Postal Service responds that while all customers will be assigned a new 911 address, the new address will continue to use the Morgan City community name and ZIP Code. Postal Service Comments at 9.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

Effect on employees. The Postal Service states that the Morgan City postmaster resigned on July 19, 2009 and that an OIC has operated the Morgan City post office

since then. Final Determination at 2. It asserts that after the Final Determination is implemented, the temporary OIC may be separated and that no other Postal Service employee will be adversely affected. *Id.* at 6-7.

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the Morgan City post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

Effective and regular service. The Postal Service contends that it has considered the effect the closing will have on postal services provided to Morgan City customers. Postal Service Comments at 5. It asserts that customers of the closed Morgan City post office may obtain retail services at the Itta Bena post office located 8 miles away. Final Determination at 2. Delivery service will be provided by rural carrier through the Itta Bena post office. *Id.* The Morgan City post office box customers may obtain Post Office Box service at the Itta Bena post office, which has 117 boxes available. *Id.* 

Petitioners argue that rural delivery service will not provide the Morgan City community with a maximum degree of regular and effective services and note the convenience of the Morgan City post office. Walker Petition at 1-2; Walker Letter at 1; Walker Participant Statement at 2; Mullen Participant Statement at 2. Petitioner Walker is concerned about the effect of the closing on the shipping of packages, receipt of accountable mail, and purchasing money orders, while other Petitioners express concern about accessibility of postal services for low income individuals and the elderly and potential problems with roadside delivery. Walker Petition at 1-2; Walker Letter at 1; Walker Participant Statement at 2; Mullen Participant Statement at 2.

The Postal Service contends that various alternative options exist for the shipping of packages. Postal Service Comments at 6. For customers choosing not to travel to the Itta Bena post office, the Postal Service explains that many retail services will be available from the carrier. Postal Service Comments at 5-6. The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.* at 6.

Petitioner Walker argues that rural route boxes are subject to theft and vandalism. Walker Petition at 1. The Postal Service responds that customers may place a lock on their mailboxes or maintain a post office box at the Itta Bena post office. Postal Service Comment at 6, 8.

Petitioners challenge Item No. 15 of the Administrative Record and assert that the post office box rental rates at the Itta Bena post office are higher than that of Morgan City. Walker Letter at 2-4; Walker Participant Statement at Attachment 3; Mullen Participant Statement at 2, 7. The Postal Service argues that the closure will provide customers with the option of free delivery service in the form of rural delivery to roadside boxes, mitigating the impact of the higher fees. Postal Service Comments at 8.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Economic savings. The Postal Service estimates total annual savings of \$50,747. Final Determination at 6. It derives this figure by summing the following costs: postmaster salary and benefits (\$44,279) and annual lease costs (\$6,468), minus the cost of replacement service (\$0). *Id.* 

Petitioners argue that the Postal Service did not account for the cost of replacement service through rural route service or loss of post office box revenue. Walker Letter at 2; Walker Participant Statement at 3; Mullen Participant Statement at 3. The Postal Service asserts that the estimated cost total to implement rural route service is \$9,843.92, and when subtracted from the full cost to maintain a post office in Morgan City, the savings will still amount to \$40,903.08. Postal Service Comments at 11. The Postal Service adds that it has determined that carrier service is more cost-effective than maintaining the Morgan City post office and postmaster position. *Id.* at 12.

Petitioners also criticize the Postal Service for failing to account for costs associated with customers having to travel to other post offices. Walker Petition at 1; Walker Letter at 1; Walker Participant Statement at 2; Mullen Participant Statement at 2. The Postal Service asserts that such costs are not included in the economic savings

calculation. Postal Service Comments at 11. It asserts that, in this case, the Postal Service appropriately applied its financial analysis to calculate the economic savings. *Id.* 

The Morgan City post office postmaster resigned on July 19, 2009. Final Determination at 2. The post office has since been staffed by an OIC who, upon discontinuance of the post office, may be separated from the Postal Service. The postmaster position and the corresponding salary will be eliminated. *See, e.g.,* Docket No. A2011-67, United States Postal Service Comments Regarding Appeal, October 24, 2011, at 10; Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 13. Furthermore, notwithstanding that the Morgan City post office has been staffed by an OIC for approximately two and a half years, even assuming the use of the presumably lower OIC salary and a higher cost of replacement service, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

Section 101(b). Section 101(b) prohibits closing any small post office solely for operating at a deficit. Petitioners allege that the Postal Service is closing the Morgan City post office solely for economic reasons. Walker Participant Statement at 1, Attachment 5; Mullen Participant Statement at 1.

To be sure, economics plays a role in the Postal Service's decision. However, the Commission is not prepared to conclude that the Postal Service's determination violates section 101(b). In addition to considering workload at the Morgan City post office (revenues declining and averaging only 34 retail transactions per day), the Postal Service took into account other factors such as the postmaster vacancy, the impact on the community, and expected financial savings. In addition, it considered the alternate delivery and retail options available to customers. Final Determination at 4, 7.

The Postal Service did not violate the prohibition in section 101(b) on closing the Morgan City post office solely for operating at a deficit.

# VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Morgan City post office is affirmed.<sup>13</sup>

It is ordered:

The Postal Service's determination to close the Morgan City, Mississippi post office is affirmed.

By the Commission.

Shoshana M. Grove Secretary

<sup>&</sup>lt;sup>13</sup> See footnote 4, supra.

## DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the Morgan City post office has been operated by an officer-in-charge (OIC) since the former postmaster resigned on July 19, 2009. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only an OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time postmaster position.

The Postal Service already claims billions of dollars in savings from reducing labor costs. I believe the savings from substituting OICs in postmaster positions throughout the nation have already been included in those billions. There are inherent and blatant contradictions in the Administrative Record that must be corrected on remand.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data were in the Administrative Record. Therefore, the decision to close should be remanded to the Postal Service to correct the Administrative Record and present a more considered evaluation of potential savings.

As my colleagues note, the Postal Service provided an addendum to the Administrative Record that supplies post-record information. The omission of this information in the Administrative Record provides indication that the Administrative Record is flawed. As the Commission has no way of correcting the Administrative Record in our section 404 review, it must be done on remand.

I am also concerned about the distances between the Morgan City post office and those that are offered as substitutes. The Itta Bena post office, designated as the administrative receiving facility, is 10.4 driving miles distant, according to MapQuest. Several members of Congress have publicly expressed concern that post offices that are 10 miles apart should be maintained in rural areas. The Postmaster General has expressed interest in finding other ways to serve such distant post offices rather than close them altogether. This closing should be reconsidered within the context of the policies now being developed regarding distant rural post offices.

The Administrative Record does not address with specificity reasonable customer concerns about the large travel distance to the new administrative retail post office. Without a more complete explanation of how removing the applicable retail facility to such a distant point will affect the community, the Postal Service has not satisfied its obligation to consider the effect of such closing or consolidation on the community served by the post office, as required by 39 U.S.C. § 404(d)(2)(A)(i).

Recent legislation has been introduced precluding the closure of a post office in cases where the nearest post office is more than 10 miles away. The Commission in its recent Advisory Opinion (Docket No. N2011-1), found that using optimization modeling, the Postal Service could make better choices about which post offices to close that would assure adequate access in rural areas.

Further, the Commission has often expressed a concern—and I have consistently expressed the concern—that the maintenance of adequate service requires providing an adequate number of post office boxes in the receiving facility. Morgan City served 156 post office box customers, while the administrative receiving post office in Itta Bena has only 117 post office boxes available. Thus, the Administrative Record does not show that the Postal Service has sufficiently considered the issues raised by customers concerning the provision of effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process, but had not yet received a discontinuance notice by December 12, 2011, have the respite of a 5-month moratorium and the opportunity to have further consideration of alternatives by the Postal Service.

The citizens of Morgan City, Mississippi and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

## DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility since July 2009, not an EAS-11 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis.<sup>1</sup>

In addition, the current lease does not terminate until June 31, 2015, and does not have a 30-day termination clause. Administrative Record, Item No. 15 at 1. The Postal Service should note that any savings from the lease will not be realized for at least 3 years. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

The Final Determination indicates that the Morgan City post office has 156 post office box holders, while the Itta Bena post office has 117 post office boxes available. Should all the Morgan City post office box holders rent boxes at the Itta Bena post office, there would be a shortage of 39 post office boxes. Final Determination at 2.

Petitioners question the economic savings because it does not take into consideration the cost for providing the replacement service given that there are currently 156 post office box holders that may convert to rural route delivery. Walker Participant Statement at 3; Mullen Participant Statement at 3. The Postal Service filed an Addendum to the Administrative Record indicating that there would be a cost incurred if the customers of Morgan City elect to have street delivery. Postal Service Addendum at 2. The Addendum seeks to add post-record information for the Commission's consideration on appeal. However, by statute, the Commission may only

<sup>&</sup>lt;sup>1</sup> See Postal Service Comments at 2.

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consider "the record before the Postal Service in the making of such determination[s]." 39 U.S.C. § 404(d)(5). The Postal Service should adjust the economic savings to reflect the cost of replacement service, which surely must be greater than \$0.

I find that the Administrative Record evidence does not support the Postal Service's decision to discontinue operations at the Morgan City post office and should be remanded.

Nanci E. Langley